PSC NO: 8 GAS COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION INITIAL EFFECTIVE DATE: 03/01/05

STATEMENT TYPE: DISS STATEMENT NO: 86

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STATEMENT OF DEFICIENCY IMBALANCE SALES SERVICE RATE

Effective With Usage During Billing Period Commencing March 1, 2005 Applicable to Billings Under Service Classification No. 11 NATIONAL FUEL GAS DISTRIBUTION CORPORATION P.S.C. No. 8 - GAS

	<u>\$ Per Ccf</u>
Billing Rate	
Monthly Gas Cost	\$0.854810
Plus: Base Reserve Capacity Cost	\$0.014180
Plus: Delivery Adjustment Charge	<u>\$0.004090</u>
Rate for Delivery Deficiencies between $0 - 2\%$ of total monthly throughput	\$0.873080
Seasonal Premium Factor (November - March)	125%
Rate for Delivery Deficiencies above 2% of total monthly throughput	<u>\$1.091350</u>

The rates listed above are in addition to the appropriate transportation service rate charged to the customer for the volumes of gas purchased by the customer under this service classification.

Date: February 25, 2005

Issued by ______ D.F. Smith, President, 6363 Main Street, Williamsville NY 14221 (Name of Officer, Title, Address)